

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 11, 2001

COMMONWEALTH OF VIRGINIA, ex rel.

WILLIAM F. EAREHART, et al.

v.

VALLEY RIDGE WATER COMPANY, INC.

CASE NO. PUE000340

FINAL ORDER

By notice dated March 24, 2000, pursuant to the Small Water or Sewer Public Utility Act (§ 56-265.13:1 et seq. of the Code of Virginia ("Code")), Valley Ridge Water Company, Inc. ("Valley Ridge" or the "Company"), notified its customers and the State Corporation Commission (Commission) of its intent to increase its rates effective for service rendered on and after July 1, 2000. The Company proposed the following monthly rates: an increase in unmetered customers' rates from \$22.00 to \$33.00, and an increase in commercial or metered customers' rates from \$19.00 to \$23.00 for usage up to 2,000 gallons, and from \$3.50 per 1,000 gallons to \$4.20 per 1,000 gallons for all usage in excess of 2,000 gallons.

Based on objections to the proposed rate increase from 77 customers, or approximately forty-two percent (42%) of Valley Ridge's customers, the Commission in a Preliminary Order issued

on June 20, 2000, found that a hearing should be scheduled and suspended the Company's proposed rates for 60 days from the date of the Company's proposed increase, or through August 29, 2000.

On August 2, 2000, the Commission issued an Order for Notice and Hearing scheduling a hearing for January 25, 2001, to receive evidence relevant to Valley Ridge's proposed tariff revisions for January 25, 2001. The Company's proposed increase in rates was permitted to become effective as of August 30, 2000, on an interim basis, subject to refund with interest. The Commission directed Commission Staff to investigate the reasonableness of Valley Ridge's proposed tariff and present its findings and recommendations in prepared testimony and exhibits.

Commission Staff did not file a Staff Report in this case as the Company indicated it did not wish to proceed further with the proposed increase. By motion filed December 18, 2000, Valley Ridge requested the matter be dismissed with prejudice. The Company stated that it would: (1) revert to the charges and rules set out in its tariff currently on file with the Commission; (2) keep its books and records in accordance with the Uniform System of Accounts for Class C Water Utilities; (3) refund all monies collected in accordance with Commission standards; and (4) address in a timely manner the completion of a filtration system.

On December 20, 2000, Hearing Examiner Alexander F. Skirpan, Jr. filed a Report that recommended the Commission: (1) adopt his findings in the matter; (2) direct Valley Ridge to refund, with interest, all revenues collected under its interim rates in excess of the tariff currently on file with the Commission; and (3) dismiss the case from the docket of active matters.

NOW THE COMMISSION, having considered the matter, hereby adopts the Hearing Examiner's recommended findings.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Valley Ridge's motion to dismiss the matter with prejudice is granted.

(2) On or before June 1, 2001, Valley Ridge, using the rates and charges set forth in the Company's tariff currently on file with the Commission, shall recalculate each bill rendered after August 30, 2000 that used the rates and charges that took effect August 30, 2000. Where the application of the rates in the Company's tariff on file with the Commission results in a reduced bill, Valley Ridge shall refund with interest, as directed below, the difference.

(3) Interest upon the ordered refunds shall be computed from the date payments of bills were due to the date refunds are made, at the average prime rate for each calendar quarter, compounded quarterly. The average prime rate for each calendar

quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's Selected Interest Rates (Statistical Release G.13) for the three months of the preceding calendar quarter.

(4) Valley Ridge shall work with Commission Staff in calculating the appropriate rate of interest as described in Ordering Paragraph (3) above.

(5) The refunds ordered in Ordering Paragraph (2) above may be credited to current customers' accounts (each refund category shall be shown separately on each customer's bill). Valley Ridge may offset the credit or refund to the extent no dispute exists regarding the outstanding balance of a current or former customer. No offset shall be permitted for the disputed portion of an outstanding balance. Refunds to former customers shall be made by check mailed to the last known address of such customers when the refund amount is \$1 or more. The Company may retain refunds owed to former customers when such refund amount is less than \$1. Valley Ridge shall maintain a record of former customers for which the refund is less than \$1, and such refunds shall be made promptly upon request. All unclaimed refunds shall be subject to § 55-210.6:2 of the Code of Virginia.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.